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FISCAL IMPACT STATEMENT

LS 6242

BILL NUMBER: SB 342

NOTE PREPARED: Dec 13, 2014

BILL AMENDED:

SUBJECT: Examination for Driver's Licenses.

FIRST AUTHOR: Sen. Rogers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to conduct in certain foreign languages the testing and demonstration of ability to operate a motor vehicle.

Effective Date: July 1, 2015.

Summary of NET State Impact: This bill could increase annual interpretation costs by \$108,000, with a one-time expenditure of \$8,000 to translate the BMV's written test into four additional languages. The bill could also result in an additional \$93,600 in revenue per year from operator license fees. The annual net impact of this bill over the next two years is illustrated in the following table.

	FY 2016	FY 2017
New Interpretation Costs	\$116,000	\$108,000
New License Fee Revenue	\$93,600	\$93,600
Net Costs	\$22,400	\$14,400

Explanation of State Expenditures: *Summary:* At a minimum, this bill is expected to increase BMV expenditures by an estimated \$8,000 to translate the BMV's written test into four additional languages.

The bill could also require in-person interpretation services, which are offered by an Indiana Department of Administration (IDOA) contract. The annual costs of providing in-person interpretation services are

estimated to be \$108,000. The current interpretation contract has a remuneration cap of \$250,000 for the life of the contract, but is expected to reach this cap in early December of 2014. As a result, a new contract will be negotiated.

The provisions of this bill are expected to increase the demand for interpretation services for state agencies. The new contract could have a higher remuneration cap compared to the current contract maintained by the IDOA. Any increase in state contract expenditures for foreign language interpretation services would ultimately depend on the outcome of negotiations and the decisions of state administrators.

Additional Information: Currently, the BMV administers the written test in the following languages: Burmese, Chinese, Japanese, Spanish, Mandarin, Arabic, Punjabi, Korean, Russian, German, and Vietnamese. The cost of translating the written test into these languages was an average of \$2,000 per language. To meet the bill's requirements, the BMV is expected to expend \$8,000 to have the written test translated into an additional four languages: French, Pennsylvania Dutch, Polish, and Tagalog.

The BMV reports the average time to complete the skills test is approximately 20 minutes. It is assumed that for a single hour of interpretation services, three skills tests can be administered by the BMV.

The IDOA currently maintains a contract that allows all state agencies to offer in-person interpretation services for individuals who speak foreign languages. The current costs for these services are \$40 per hour for Spanish and \$60 per hour for all other languages, with a remuneration cap of \$250,000. The IDOA reports the contract will hit this remuneration cap in early December of 2014. Once this cap is achieved, a new contract will be required for translation services.

Between August and November of 2014, a total of 1,800 individuals have passed the written examination in one of the 8 foreign languages included in this bill. It is estimated that approximately 6,300 individuals will pass the written examination in one of the 12 different foreign languages each year and may require interpretation services for the skills test.

It is not known how many of these 6,300 individuals would request a foreign language interpreter and that the language barrier prevented them from taking or passing the skills tests required for operator licensure. If 6,300 individuals annually request an interpreter for the skills test, the total cost of interpretation services could be \$108,000 per year.

If this bill increases state agency demand for interpretation services, the new interpretation contract could be negotiated with a higher remuneration cap, which could ultimately increase overall state expenditures. To the extent this occurs, state expenditures could be higher than estimated depending on the outcome of contract negotiations and the decisions of state administrators.

The estimated cost of interpretation services does not include interpreter travel reimbursement. Under the current contract, interpreters receive the same travel reimbursement as state employees. If interpreters are required to travel to BMV branch locations to provide interpretation services, the state could incur additional costs for travel reimbursement.

Explanation of State Revenues: This bill could increase the number of licensed drivers in the state. It is not known how many of the estimated 6,300 annual individuals who pass the written exam in a foreign language will pass the skills test to receive their operator credentials. The BMV reports the passage rate for an

operator's license is 85%. An estimated 5,350 additional individuals are expected to annually pass the skills test using interpretation services. As a result, this will increase state revenue from licensing fees. The table below shows the distribution of licensing fee revenue for an additional 5,350 licensed drivers.

Fund	Fee Amount	Revenue Per 5,350 New Licensed Operators
Motor Vehicle Highway Account	\$4.50	\$24,100
Crossroads 2000 Fund	\$2.00	\$10,700
BMV Technology Fund	\$0.50	\$2,700
Anti-Terrorism Fund	\$1.25	\$6,700
BMV Commission Fund	\$9.25	\$49,400
Total	\$17.50	\$93,600

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV, IDOA.

Local Agencies Affected:

Information Sources: Census Information for 2006 - 2008; Alex Miller, BMV; Tamytha Cooper, BMV; Kevin Kane, IDOA; Tim Grogg, IDOA.

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